

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 /100 W
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FM AMCONSUL TORONTO
TO SECSTATE WASHDC 4861
INFO AMEMBASSY OTTAWA
AMCONSUL HALIFAX

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E.O. 11652: N/A

TAGS: ENRG, PGOV, CA

SUBJECT: IMPERIAL OIL EXECUTIVES SUCCESSFUL SPEECH ON GOVERNMENT
INTERVENTION MAY MARK BEGINNING OF COMPANY CAMPAIGN

1. IMPERIAL OIL LTD. SENIOR VICE PRESIDENT AND DIRECTOR A.R.
HAYNES ADDRESSED THE ST. JOHN, NEW BRUNSWICK, ROTARY CLUB ON
JANUARY 18 AND THE SECTION OF THE ADDRESS DEVOTED TO A COMPARISON
OF LOWER GASOLINE PRICES IN FREE MARKET, NEW BRUNSWICK WITH THE
CONTROL SYSTEM IN NOVA SCOTIA HAS ATTRACTED ATTENTION IN THE MEDIA,
PARTICULARLY IN THE MARITIME PROVINCES BUT ALSO IN TORONTO.

2. MR. HAYNES TOLD HIS AUDIENCE THAT PRICE CONTROLS AND REGULATIONS
INTERFERE WITH THE OPERATION OF THE MARKET SYSTEM AND THAT A "THERE IS
HARD EVIDENCE TO BE FOUND AT THE PUMP THAT THE CONSUMER IS BETTER
PROTECTED WHEN THE MARKET SYSTEM IS ALLOWED TO OPERATE THAN HE IS
WHERE THE MARKET IS REGULATED." NOTING THAT BOTH HALIFAX AND ST. JOHN
SHOULD HAVE IDENTICAL COSTS TO THE GASOLINE PUMP AS BOTH ARE REFINING
CENTERS AND TRANSPORTATION AND RELATED COSTS ARE ABOUT THE SAME BUT
THAT THE NEW BRUNSWICK PROVINCIAL ROAD TAX ON GAS IS ONE CENT PER
GALLON LOWER, MR. HAYNES OBSERVED THAT "THE PREVAILING PRICE
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OF ESSO REGULAR MOTOR GASOLINE IN ST. JOHN THIS AFTERNOON
IS 85.9 CENTS PER GALLON, IN HALIFAX IT IS 91.9 CENTS."

3. ACCORDING TO IMPERIAL OIL PUBLIC RELATIONS IN TORONTO, THIS
SEGMENT OF THE HAYNES SPEECH HAS ATTRACTED MUCH NOTORIETY
IN THE MARITIME PROVINCES PRESS AND WAS USED ON AT LEAST ONE RADIO
BUSINESS PROGRAM IN TORONTO ON JANUARY 19. ACCORDING TO A CONTACT

WITH IMPERIAL OIL, WHO, IN FACT, WROTE THE HAYNES SPEECH, IMPERIAL TOOK A CALCULATED RISK THAT PREMIER REGAN OF NOVA SCOTIA IS SUCH A "HARD-NOSED POLITICIAN" THAT THE HAYNES SPEECH WOULD NOT ANTAGONIZE HIM TOWARD IMPERIAL. IN VIEW OF THE REACTION, IMPERIAL IS NOW CONSIDERING THE USE OF THIS TECHNIQUE IN SELECTED CITIES ACROSS CANADA AS A REGULAR ELEMENT IN ITS PUBLIC RELATIONS CAMPAIGN.

4. COMMENT: THE REMAINDER OF MR. HAYNES' SPEECH WAS TYPICAL PETROLEUM INDUSTRY/CONSTRUCTION INDUSTRY PROPAGANDA -- TOO MANY REGULATIONS, TOO LITTLE PROFIT TO FOSTER INVESTMENT, THE MYTH OF WINDFALL PROFITS. MR. HAYNES CARRIED THE THEME PERHAPS A BIT FAR IN STATEMENTS SUCH AS "THE BEAUTY OF THE COMPETITIVE MARKET SYSTEM IS THAT, LEFT TO ITSELF, IT WILL FIND THE MOST EFFICIENT METHOD OF MEETING EVERY CONSUMER DEMAND." HOWEVER, IT CANNOT BE DENIED THAT OIL COMPANY EFFORTS TO SPARK POPULAR SUPPORT HAVE THUS FAR NOT BEEN TREMENDOUSLY SUCCESSFUL AND IMPERIAL MAY HAVE FOUND A MORE APPROPRIATE KEY TO THE MINDS OF THE CONSUMING PUBLIC BY BRINGING ITS ARGUMENT DOWN FROM THE LEVEL OF BIG BUSINESS, FUTURE INVESTMENT, OVERALL ENERGY POTENTIAL AND POLITICAL ECONOMY TO SIMPLISTIC, HIT-IN-THE-POCKETBOOK CONSUMER COMPARISONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, PRESS COMMENTS, SPEECHES, PRICE INDEXES
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
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